



ASX Announcement / Media Release

29 March 2017

Sole gas project ready to proceed and equity raising

- Cooper Energy's Board of Directors has approved the Sole gas project as ready to proceed
- Finalisation of financing for the project has commenced
- Fully underwritten equity raising of approximately \$151 million to fund the equity contribution

Cooper Energy Limited (ASX: COE) ("COE" or "Cooper Energy" or "the Company") announces that the Sole gas project has been approved as ready to proceed by the Company's Board of Directors and that finalisation of financing has commenced with a fully underwritten equity raising of approximately \$151 million.

The project will develop the Sole gas field located in VIC/ L32 in the Gippsland Basin offshore Victoria (refer Figure 1 following) to supply 25 PJ per annum to gas users in south-east Australia. Cooper Energy is the 100% interest holder in the Sole gas field.

Gas produced from the field will be piped to the Orbost Gas Plant (formerly known as Patricia Baleen gas plant), from where the gas will be supplied to customers through the Eastern Gas Pipeline. Cooper Energy has secured long term gas sales contracts with a portfolio of customers (including AGL, EnergyAustralia, Alinta Energy and O-I Australia) to support development of the field whilst retaining a significant share of annual output for availability to supply shorter term sales.

Details of the project, its contracts and market opportunity are contained in an investor presentation to be lodged separately with the ASX today.

Sole gas project – readiness to proceed

The Sole gas project has been assessed to satisfy Cooper Energy's technical, commercial, economic and risk management hurdles. The Final Investment Decision ("FID") is now only subject to securing satisfactory funding for the project.

APA Group is expected to acquire and undertake all capital expenditure associated with the Orbost Gas Plant. Following on from APA Group and Cooper Energy executing a non-binding Heads of Agreement on 27 February 2017, the Company and APA Group are in advanced negotiations to conclude the arrangements pursuant to which APA Group will acquire, upgrade and operate the Orbost Gas Plant.

Cooper Energy will solely undertake the upstream development, which has an expected capital cost of \$355 million.

The fully underwritten equity raising of approximately \$151 million will substantially cover the expected equity funding requirement for the Sole gas project.

Cooper Energy is highly confident of securing debt finance for the remaining funding requirement of the Sole gas project during the June quarter 2017.

First gas from the Sole gas project is planned to be delivered to the Orbost Gas Plant in the March quarter of 2019, which is unchanged from previous indications.

Managing Director’s comments

“Today’s announcement is a milestone event in our gas strategy and long-standing efforts to generate value for our shareholders through securing and bringing new gas supply to south-east Australia.

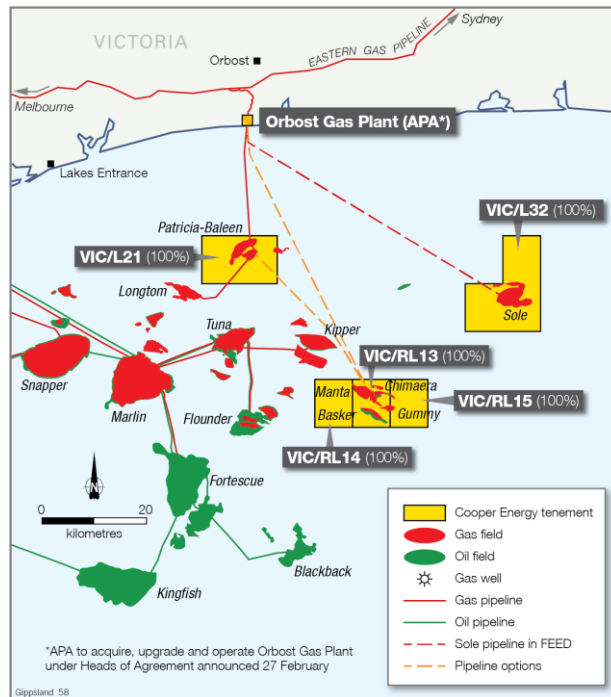
“Our technical, commercial and development plans for the Sole gas field have been subjected to independent and Board review and the project has cleared all hurdles necessary for final financing to be instigated.

“We have made substantial progress in finalising our arrangements with APA and, based on feedback from a range of financiers, we have firm conviction that attractive debt financing is available for the project.

“Our progress to this point is, to a large part, attributable to the support provided by our shareholders. The underwritten equity raising announced today will provide the opportunity for their participation in what will be a transformational event for their company.” said Mr David Maxwell, Managing Director, Cooper Energy.

Finalisation of funding and FID of the Sole gas project will trigger a 43 million barrel of oil equivalent (boe) uplift to Cooper Energy 2P reserves, which represents an increment of nearly 400% to proved and probable reserves as at 1 January 2017 of 11.6 million boe. Based on current ownership levels, the first full year of operation from the Sole gas project is expected to lift Cooper Energy’s annual production to more than 6 million boe, which compares to guidance for FY17 of 1 million boe.

Figure 1: Location of Sole gas field, Gippsland Basin, Victoria



Equity raising

The fully underwritten equity raising of approximately \$151 million comprises the following:

- an institutional placement of 150 million new fully paid ordinary shares in Cooper Energy (“New Shares”) to raise approximately \$47 million (“Institutional Placement”); and
- a 1 for 2 accelerated non-renounceable entitlement offer of New Shares to raise approximately \$104 million (“Entitlement Offer” and together with the Institutional Placement the “Equity Raising”).

The Entitlement Offer is comprised of:

- an accelerated institutional component to be conducted today and tomorrow (“Institutional Entitlement Offer”); and
- a retail component which is anticipated to open on 5 April 2017 and close on 21 April 2017 (“Retail Entitlement Offer”).

Both the Institutional Placement and Entitlement Offer are priced at \$0.315 per New Share (“Offer Price”). The Offer Price represents a discount of:

- 18.2% to \$0.385, being the closing price of Cooper Energy shares on 28 March 2017; and
- 12.9% to the theoretical ex-rights price (“TERP”) of \$0.362¹.

The record date under the Entitlement Offer is 7pm (AEST) on 31 March 2017 (“Record Date”). Entitlements to subscribe for New Shares under the Entitlement Offer (“Entitlements”) cannot be traded on the ASX.

The Equity Raising is fully underwritten by Euroz Securities Limited and Canaccord Genuity (Australia) Limited.

The New Shares to be issued will rank equally with existing Cooper Energy shares on issue at the time of allotment.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which opens today and closes on or before 30 March 2017.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements not taken up under the Institutional Entitlement Offer, or Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible institutional investors at the Offer Price through a bookbuild process.

Cooper Energy shares have been placed in a trading halt while the Institutional Entitlement Offer is undertaken. It is expected that the trading halt will end at market open on 31 March 2017.

New Shares under the Institutional Entitlement Offer are expected to be issued on 10 April 2017. Cooper Energy will, upon issue of the New Shares under the Institutional Entitlement Offer, seek quotation of the New Shares on ASX.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand as at the Record Date (“Eligible Retail Shareholders”) have the opportunity to take up their entitlement of New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet

¹ TERP is calculated by adjusting for the bonus-element of the Entitlement Offer only based on the closing price of Cooper Energy shares on 28 March 2017

to be sent to Eligible Retail Shareholders on or around 5 April 2017. The Retail Entitlement Offer is anticipated to close on 21 April 2017.

Eligible Retail Shareholders can choose to take up all, part, or none of their Entitlements. Furthermore, the Retail Entitlement Offer will include a top-up facility under which Eligible Retail Shareholders who take up their Entitlement in full may also apply for additional New Shares in the Retail Entitlement Offer that were not taken up by other Eligible Retail Shareholders, subject to a maximum amount as detailed in the Retail Offer Booklet. There is no guarantee that applicants under the top-up facility will receive all or any of the additional New Shares for which they apply.

New Shares under the Retail Entitlement Offer are expected to be issued on 1 May 2017. Cooper Energy will, upon issue of the New Shares under the Retail Entitlement Offer, seek quotation of the New Shares on ASX.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer.

Retail investor enquiries

For further information regarding the Retail Entitlement Offer, please contact the Cooper Energy Shareholder Information Line on 1300 655 248 (local call cost within Australia) or +61 3 9415 4887 (from outside Australia) at any time between 8.30am and 5.00pm (Sydney time), Monday to Friday.

Nothing contained in this announcement constitutes investment, legal tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

Further Information

Grant Samuel is acting as financial adviser to Cooper Energy, with Johnson Winter & Slattery acting as legal adviser.

Euroz Securities Limited and Canaccord Genuity (Australia) Limited are acting as Joint Lead Managers, Joint Bookrunners and Joint Underwriters to the Equity Raising. Taylor Collison is acting as Co-Manager to the Equity Raising.

Further details about the Sole gas project and the Equity Raising are contained in a separate investor presentation lodged with the ASX today.

Further comment and information	
David Maxwell, Managing Director	+61 8 8100 4900
Don Murchland, Investor Relations	+61 439 300 932

Key dates

Event	Date
Announcement of Equity Raising	Wednesday, 29 March 2017
Institutional Placement and Institutional Entitlement Offer opens	Wednesday, 29 March 2017
Institutional Placement and Institutional Entitlement Offer closes	Thursday, 30 March 2017
Shares recommence trading on ASX on an “ex-entitlement” basis	Friday, 31 March 2017
Record Date for the Entitlement Offer	7.00pm (Sydney time) Friday, 31 March 2017
Retail Entitlement Offer opens	Wednesday, 5 April 2017
Retail Offer Booklet despatched	Wednesday, 5 April 2017
Settlement of New Shares issued under the Institutional Placement and Institutional Entitlement Offer	Friday, 7 April 2017
Allotment and normal trading of New Shares issued under the Institutional Placement and Institutional Entitlement Offer	Monday, 10 April 2017
Retail Entitlement Offer closes (Retail Closing Date)	5.00 pm (Sydney time) Friday, 21 April 2017
Allotment of New Shares under the Retail Entitlement Offer	Monday, 1 May 2017
New Shares issued under the Retail Entitlement Offer commence trading on ASX	Tuesday, 2 May 2017
Despatch to Shareholders of holding statements under the Retail Entitlement Offer	Wednesday, 3 May 2017

All dates and times referred to are based on Sydney time and are subject to change. COE reserves the right to vary these dates or to withdraw the Entitlement Offer at any time.

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ENDS

Conference Call

Mr David Maxwell, Managing Director of Cooper Energy will address a conference call on this announcement and speak to a presentation pack which has been lodged with the ASX separately.

Details of the call are as follows:

Time: 11:00 am AEDT Wednesday 29 March 2017

Conference ID:	9680 2997
Participant International Dial-In Number:	+61 2 8038 5221
Participant Local Dial-In Numbers:	
Australia, Sydney	02 8038 5221

Participant International Toll Free Dial-In Numbers:

Australia	1800 123 296
Hong Kong	800 908 865
New Zealand	0800 452 782
Singapore	800 616 2288
United Kingdom	0808 234 0757
United States	1855 293 1544

About Cooper Energy Limited (ASX:COE) is an ASX listed exploration and production company which generates revenue from gas supply to south-east Australia and low cost Cooper Basin oil production. The company is an emerging player in the south-east Australian energy sector holding a portfolio of gas supply contracts and one of the most extensive portfolios of gas-focussed acreage and assets, including well located reserves, resources and processing plant, in the Otway and Gippsland basins. The most significant resources, in the Gippsland Basin, are currently being commercialised to provide a new source of gas supply to south-east Australia from 2019.

The company enjoys strong cash flow and is executing a clear strategy driven by total shareholder return.